

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of)

Implementation of the Pay Telephone)
Reclassification and Compensation)
Provisions of the Telecommunications)
Act of 1996)

CC Docket No. 96-128

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Ameritech Comparably Efficient)
Interconnection Plan for Payphone)
Service Providers)

COMMENTS OF THE
AMERICAN PUBLIC COMMUNICATIONS COUNCIL
ON AMERITECH'S CEI PLAN

January 3, 1997

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SUMMARY

In several important areas, Ameritech's CEI plan is either non-compliant or does not contain enough information to enable the Commission to tell whether its plan meets the requirements of the Payphone Orders and Computer III. It is particularly important to have full CEI compliance for payphone services. Independent public payphone providers were denied interconnection to the network using network controls and were forced to use alternate technologies while Ameritech built its embedded base of payphone using the network. In these circumstances, facially non-discriminatory service offerings can be extremely discriminatory in application and in the marketplace. For these reasons, the Commission must require more information, including information regarding how much of each and all payphone services Ameritech will use, and scrutinize the rates and structure of Ameritech's coin functionality and payphone line services.

Ameritech's CEI plan is deficient in several respects regarding Ameritech's tariffed "COCOT" and "coin line" services. First, Ameritech has provided no federal tariff despite the Commission's explicit directive that

any basic network services or unbundled features used by a LEC's operations to provide payphone services must be similarly available to independent payphone providers on a nondiscriminatory, tariffed basis. Those unbundled features or functions must be tariffed in the state and federal jurisdiction.

and that

LECs must file with the Commission tariffs for unbundled features consistent with the requirements established in the Report and Order.

Only "the basic payphone line for smart or dumb payphones" is to be tariffed exclusively at the state level.

Further, Ameritech's state tariffs do not fully unbundle coin line features from the underlying line. It is thus difficult to determine with certainty the differences in rates for the "basic payphone line" and hence the rate for the coin line functionality. For example, the Commission must require Ameritech to provide a single rate for screening service applicable to both COCOT lines and coin lines. The Commission must also require Ameritech to disclose its pricing methodologies for COCOT and coin line service, to ensure that they are nondiscriminatory and that there is no subsidy for Ameritech's payphones.

Some of Ameritech's state tariffs provide answer supervision as an unbundled service and others apparently do not. Ameritech should be required to offer answer supervision throughout its region.

In addition to these tariffing issues, there are several issues that relate specifically to Ameritech's offering of coin lines. While Ameritech often offers coin line service "where available," Ameritech does not indicate where in fact coin line service is or is not available. Ameritech must disclose how it is providing payphone service in areas where coin lines are not available.

Ameritech's coin lines do not offer subscriber specific rating except for local calls. IntraLATA toll must be rated at Ameritech rates. The fact that the rate is specified in an Ameritech tariff does not make it nondiscriminatory.

Ameritech coin line tariffs also require operator assisted intraLATA and local calls to be routed to Ameritech. The Commission's Payphone Orders make clear that the subscriber has the right to choose the carrier for operator-assisted calls and that non-emergency 0- calls should be sent to the presubscribed OSP. Forcing the PSP to give up this right in order to obtain a coin line is discriminatory and further vitiates the utility of the coin line to the IPP industry.

It is feasible for Ameritech to offer a coin-line or coin-line equivalent service that is free from the above discriminations. Such a service is currently offered by Ameritech in Illinois under the name "ProfitMaster." Ameritech should be required to make this service available generally at the same rates under which it provides coin-line service to its own payphones.

In the area of service order processing, installation, maintenance and repair service, Ameritech's CEI plan provides significant information. However, Ameritech does not explicitly commit to have Ameritech follow the Private Payphone Provider Handbook used by independent vendors (and Ameritech fails to provide a copy of the Handbook). Ameritech also does not make clear that its practices regarding maintenance and repair will be nondiscriminatory by explicitly stating the practice it will follow with respect to its existing base.

Ameritech should be required to describe its line number assignment policies. Ameritech also does not address nondiscrimination in assignment of screening codes. Ameritech payphones using coin lines are assigned a unique "27" screening code while

independent payphones are provided a screening code shared by other services that requires reference to an external database to ascertain that the originating line is a payphone. Under the Commission's Payphone Orders, a "discrete" screening code is required to enable interexchange carriers to track calls for compensation. Further, assignment of a unique screening code only to coin lines gives Ameritech's payphones a tremendous advantage in the collection of per-call compensation, apparently eliminating any need for Ameritech's payphone operation to rely on the time consuming and error-prone LEC verification process. In order to remove this discrimination, where Flex ANI is not available or not used by IXC's, Ameritech must be required to reconfigure its use of screening codes to assign a unique one to independent providers.

Finally, Ameritech does not address whether intraLATA operator services used by Ameritech will be part of Ameritech or remain part of the regulated service. Ameritech must specify what network operator functions support Ameritech and how they will be available on the same basis to independent payphone providers.

The Commission should direct Ameritech to refile its plan or amend it to comply with CEI requirements. The plan must then be made available for public comment for a period comparable to the comment period for the initial plan.

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COMMENTS OF THE
AMERICAN PUBLIC COMMUNICATIONS COUNCIL
ON AMERITECH'S CEI PLAN

Pursuant to the Commission's December 4, 1996 Public Notice, the American Public Communications Council ("APCC") submits these comments on the Ameritech CEI Plan, filed by Ameritech on November 27, 1996.

DISCUSSION

Ameritech's CEI Plan fails in several respects to comply with the comparably efficient interconnection ("CEI") equal access parameters and nonstructural safeguards for the provision of payphone services.¹ In other areas, the plan lacks sufficient information so

¹ Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996, CC Docket No. 96-128, Notice of (Footnote continued)

that the Commission (and interested parties) can evaluate whether the Commission's nondiscrimination requirements will be met.

In evaluating CEI plans for Bell companies' payphone operations, the Commission must bear in mind the history of discrimination in the payphone industry. The decade-long inequitable treatment of independent public payphone ("IPP") providers has left a legacy of discrimination that cannot be erased by simply filing a CEI plan that provides for a purely formal equivalency of services that are technically available to both Ameritech's payphone service operation ("APSO") and IPP providers. Rather, the Commission must carefully evaluate the CEI plan to ensure that it is effectively as well as formally nondiscriminatory, given the long past history of entrenched discrimination.

For example, as discussed in part in the Commission's NPRM and Payphone Order, for many years IPP providers were denied any opportunity at all to interconnect to the coin line functions of the Bell Companies' networks. Accordingly, IPP providers were forced, whether they wished to or not, to invest in payphone instrument-based technology in order to provide the basic call rating functions and call control functions that are essential to the operation of a coin payphone. The legacy of that decade-long era of discrimination is that a competitive industry has grown up in which the competitors have built their businesses around the provision of coin rating and coin control in the instrument.

(Footnote continued)

Proposed Rulemaking, 11 FCC Rcd 6716 (1996), Report and Order, FCC 96-388, released September 20, 1996 ("Payphone Order"), Order on Reconsideration, FCC 96-439, released November 8, 1996 ("Reconsideration Order").

Thus, for many IPP providers it is impractical, at least in the near future, to subscribe to coin line services. The IPP providers have already made their investment in instrument-implemented payphones and the necessary support for those instruments, and conversion to coin line service would effectively strand their investment in instrument-based technology.

Further, as discussed below, the coin line service currently offered to IPP providers is not useful to IPP providers because it does not enable them to select their own rates, or even to send operator-assisted calls to the OSP of their choice.

For these reasons, the Commission must be vigilant to ensure that there is a reasonable differential between "customer owned, coin operated telephone" ("COCOT") service² charges and coin line service charges. To the extent that Ameritech has structured tariffs to provide an undue rate advantage to users of coin line service -- which as discussed above, will be predominantly APSO payphones for the foreseeable future -- its CEI plan is effectively discriminatory and must be rejected for that reason alone. In addition, the Commission must require Ameritech to offer a nondiscriminatory coin line service that can rate calls at the IPP provider's selected rate and that can route 0+ calls to the IPP provider's selected OSP.

Ameritech also must be required to state in its CEI plan how many of APSO's payphones in each jurisdiction are subscribed to COCOT service and how many are

² In Ameritech tariffs, "COCOT" service is sometimes called "Independent Payphone Provider (IPP) Service" and sometimes called "Customer Owned Pay Telephone ("COPT") Service." Coin-line service is called "IPP Coin Line," "COPTS Coin Line," or "COCOT-Coin Line" service.

subscribed to coin line service. This information is essential in order to understand the manner in which APSO intends to provide payphone service and the extent of any discriminatory impact resulting from improper tariff structures and charges. In order for the Commission to effectively determine whether Ameritech's CEI Plan has eliminated subsidies and discrimination, the Commission needs to know the extent to which Ameritech continues to rely on network services that are not effectively available to independent providers.

I. TARIFFED "COCOT" AND "COIN LINE" SERVICES

A. The Plan Does Not Include Any Federal Tariffs

A basic CEI requirement is that the LEC must file copies of applicable federal tariffs with its CEI plan. Ameritech has not attached any federal tariff.³ Yet, the Reconsideration Order unequivocally requires that:

any basic network services or unbundled features used by a LEC's operations to provide payphone services must be similarly available to independent payphone providers on a nondiscriminatory, tariffed basis. Those unbundled features or functions must be tariffed in the state and federal jurisdiction.

Reconsideration Order, ¶ 162. In the next paragraph, the Reconsideration Order states:

LECs must file with the Commission tariffs for unbundled features consistent with the requirements established in the Report and Order.

The only service that LECs are not required to tariff at the federal level is "the basic payphone line for smart and dumb payphones." Reconsideration Order, ¶ 163.

³ Subsequently, Ameritech filed a federal tariff for two optional services, incoming call restriction and restricted coin access. However, the key coin line features such as call rating and coin control are tariffed only at the state level.

Ameritech's plan clearly cannot be approved until it is refiled with Ameritech's proposed federal tariffs.

B. Ameritech's State Tariffs Do Not Consistently Unbundle Coin Line Features From The Basic Payphone Line

As discussed above, the Commission's Order on Reconsideration made clear that "any basic network services or unbundled features used by a LEC's operations to provide payphone services must be similarly available to independent payphone providers on a nondiscriminatory, tariffed basis" at the state and federal levels, while "the basic payphone line" is to be unbundled and tariffed at the state level only. Reconsideration Order, ¶ 162. Unlike BellSouth, Ameritech has submitted what appears to be relatively complete copies of all its state tariffs with its CEI plan. Further, the structure of the tariffs does not prevent any effective comparison of the charges for various services and service elements. However, Ameritech has not consistently tariffed "the basic payphone line" separately from network services and unbundled features. As a result, there are various ambiguities and inconsistencies that hinder analysis of whether subsidies and discrimination between COCOT line services and coin line services have been eliminated. Under the Reconsideration Order, the "basic payphone line" must be tariffed at the same rate for both coin line service and COCOT line service, so that the additional charges for network services and unbundled features available only with coin lines can be effectively determined. Since the "basic payphone line" is not subject to a unitary rate, close analysis is required in order to calculate the additional charge for the "smarts" in the coin line service that is

applicable in each state, and in order to determine whether the COCOT service charges are disproportionately high, and thus subject to discrimination, vis-a-vis coin line charges.

For example, Ameritech's state tariffs have inconsistent provisions governing charges for the screening services provided with COCOT and coin lines. The coin-line tariffs generally provide that the coin line "offers certain call screening . . . designed to prevent fraudulent calls from being placed from the customer's payphone." See, e.g., P.S.C. of W. No. 20 at 31. See also id. at 30 (defining call screening as "[a] screening feature that is provided with the Coin Line"). This language implies that there is no extra charge for the call screening provided with the coin line. However, some Ameritech tariffs expressly apply a non-recurring charge for the corresponding screening service when provided with a COCOT line. See, e.g., P.S.C. of W. No. 20 at 20 (ANI07 Screening charge of \$35.00 per line). Moreover, the Michigan tariff indicates that screening is an "unregulated" service, presumably subject to an unregulated charge, when provided with COCOT service, even though screening is included as an element of the coin-line service, apparently without charge, under the formulation described above. M.P.S.C. No. 20P at 9, 15, 16. This is clearly discriminatory, in violation of Section 276 of the Act. Ameritech should be required to refile its plan with a clear statement describing how its screening charges apply in each state and committing to apply such charges in the same manner to COCOT lines and coin lines.

Further, if any CEI service is provided by Ameritech as an "unregulated" service, Ameritech must be required to submit with its CEI Plan a full description of the services,

its terms and conditions and its charges and the underlying rate methodology, so that the Commission can evaluate whether the service is offered on a nondiscriminatory basis without subsidy to APSO.

C. Ameritech Must Be Required To Disclose Its Methodology For Pricing Cocot Lines And Coin Lines

While overall rate levels vary substantially from state to state, Ameritech's state tariffs appear to provide a consistent differential between COCOT and coin line charges of approximately \$7 per line per month. This differential is substantially less than in some other states, such as Florida, where the differential ranges from \$16 to \$25. See Comments of the Southwestern Public Communications Coalition on BellSouth's CEI Plan, filed December 30, 1996, at 7. Clearly, the differential must be sufficient to recover the cost of providing coin line functionality, or there is discrimination and subsidy favoring APSO, which is the primary beneficiary of low coin line rates.

Under Section 276 of the Act, the Commission is required to ensure that all subsidies and discrimination in favor of Bell company payphones are eliminated. Satisfying the Commission's Section 276 obligations necessarily requires some scrutiny of Ameritech's rate levels for the basic services offered in connection with its COCOT and coin line services, especially since coin line services, at least for the near future, can be effectively used predominantly by Ameritech payphones only.⁴

⁴ Such scrutiny is even more important to the extent that the coin line services are structured to prevent IPP providers from selecting their own rates and OSPs.

At a minimum, Ameritech must disclose the rate methodologies used to develop its COCOT and coin line service charges, so that the Commission can ensure that the same pricing methodology was used for each service, and that there is no subsidy for the coin line service. If disparate pricing methodologies are used so that a lower "contribution" is provided from Ameritech's coin line rates than from its COCOT line rates, this would demonstrate that Ameritech is discriminating and providing a subsidy for its own payphone operation.

D. Unbundling Of Individual Features

Some Ameritech tariffs offer answer supervision, while others apparently do not. Services such as answer supervision should be available as an unbundled feature, separately from the coin line package, in all Ameritech states, and in all areas within each state. If Ameritech is already offering an unbundled service in one state, then it should be required to offer it in the other states as well.⁵ The Commission should "benchmark" the unbundled services offered by one LEC against those offered by another.⁶

⁵ Ameritech's plan also does not specify whether it will provide call intercept tones ("CIT"). In the absence of true answer supervision, CIT must be provided to IPPs because if CIT do not precede operator voice messaging, the operator voice messaging is likely to be incorrectly treated as a completed call.

⁶ See Interconnection Order, CC Dkts. Nos. 96-98 and 95-185, FCC 96-325 (released August 8, 1996) (subsequent history omitted) and 47 CFR § 51.305(c)(3) (if interconnection is once provided at a point in a network, it is presumed feasible in similar networks).

E. Coin Line Issues

1. Availability of Coin Line Service

Ameritech's coin line tariffs provide that coin line service "is available only from appropriately equipped central offices." See, e.g., P.U.C.O. No. 20, Part 13, Section 2.2.C.8. Ameritech does not specify in its CEI plan to what extent coin line service is unavailable, or whether any payphones in APSO's embedded base are located in areas where coin line service is "unavailable." Ameritech must be required to disclose in which areas coin line service is "unavailable" and how many, if any, payphones it has currently installed in such areas. Of course, to the extent that APSO has new or embedded payphones in such areas, it must be required to convert such payphones to COCOT service. Otherwise, Ameritech would be in the position of providing coin line service to APSO while claiming that it is "unavailable" to IPP providers.

2. Specific Call Rating

Subscriber-selected call specific rating is not available from Ameritech, except for local calls. See e.g., Michigan Bell, Tariff M.P.S.C. No. 20R, at 16. IntraLATA long distance as well as directory assistance, is rated only at the Ameritech rate -- i.e., the Ameritech rate.

As APCC, New Jersey Payphone Association ("NJPA"), and Georgia Public Communications Association ("GPCA") have previously argued, providing a coin line that rates calls only at the end user rates used by the LEC's own payphone division is patently discriminatory and spoils any utility the coin line service would otherwise have for IPP

providers. See, e.g., Petition of NJPA for Partial Reconsideration and Classification, filed October 21, 1996, at 3-7. IPP providers subscribing to coin lines are effectively forced to adhere to the same rates charged by the Ameritech-affiliated payphone competitor. They are precluded from developing innovative rate structures such as "call anywhere in the United States for 25 cents per minute" -- an increasingly popular approach that has been shown to increase coin traffic at many payphones.

The fact that the rate used in rating intraLATA sent-paid calls is specified in an Ameritech tariff does not make the rate selection feature nondiscriminatory. The purpose of the rate is to apply to sent-paid payphone calls. To say that the rate is "selected" by Ameritech rather than APSO is simply an artifice to avoid CEI compliance. Indeed, the tariffs expressly provide that "[c]oin sent paid revenues collected at the customer's payphone are the property of the customer." See e.g., M.P.S.C. No. 20R, Part 13, Section 2, at 17. Since APSO collects and keeps the charges, it would be transparently false to claim that APSO is not responsible for deciding what the charges will be.

Ameritech should be required to refile its CEI plan with instructions to make its coin line service effectively available to other IPP providers by providing that the PSP subscriber can select the rate for central office rating of intraLATA calls.

3. Operator Service Provider ("OSP") Selection

Ameritech's tariffs provide that "[a]ll intraLATA operator assisted calls will be handled by Ameritech operator services or an authorized Interexchange carrier which has the necessary coin control circuitry." M.P.S.C. No. 20R at 16.

Section 276 provides that PSPs are entitled to select the OSP for intraLATA operator-assisted calls. Therefore, Ameritech's CEI plan is inconsistent with Section 276. Further, with respect to 0- calls, the Commission has stated that while states can require that 0- calls be routed to LECs for emergency purposes, when a 0- call is not an emergency call, the call should be sent to the OSP selected by the payphone service provider ("PSP"). Payphone Order, ¶259.

Forcing a PSP to give up its right to select the presubscribed OSP in order to obtain a coin line is discriminatory and further vitiates the utility of the coin line to the IPP industry. Ameritech should be required to refile its CEI plan with instructions to amend its tariffs to provide that all operator assisted calls (whichever is appropriate under applicable state regulation) will be sent to the provider selected by the PSP.

* * *

Ameritech cannot reasonably claim that it is infeasible to allow coin line subscribers to select the rate for sent-paid intraLATA calls and to select the presubscribed OSP. As discussed in the filings of NJPA and GPCA, Ameritech currently provides these capabilities through its ProfitMaster service in Illinois. The Illinois tariff attached to Ameritech's CEI plan references Ameritech's ProfitMaster service, but Ameritech did not see fit to attach the ProfitMaster tariff or discuss the service in its plan. In Illinois, Ameritech tariffs three IPP services: COCOT service, coin line service, and ProfitMaster service. Although ProfitMaster is not currently defined as a "coin line" service, it provides the coin rating and coin control functions that characterize coin line service, and is thus the

functional equivalent of coin line service. However, ProfitMaster is currently not made available throughout the Ameritech region, and it is higher-priced than Ameritech's coin line service.

Under the Computer III decision, CEI must be made available in the geographic areas where the carrier is offering enhanced service. Amendment of Section 64.702 of the Commission's Rules and Regulations (Third Computer Inquiry), ("Computer III"), Memorandum Opinion and Order on Reconsideration, 2 FCC Rcd. 3035, 3046-47 (1987) (subsequent history omitted). Further, Computer III requires that:

all enhanced service providers, including the carrier, should pay an equal charge covering the costs of operating the interconnection facilities and providing the unbundled basic services utilized by all enhanced service providers. Depending on the exact implementation of the interconnection facilities, this equal charge may represent an averaged payment for interconnection.

Computer II, Report and Order, 104 FCC 2d 958, 1047 (1986) (subsequent history omitted).

Applying these principles to payphone services, the Commission must require Ameritech to refile its plan, making clear how it will provide, throughout its region and at nondiscriminatory charges, coin line services that enable PSPs to have calls rated at their own coin rates and to route 0+ and nonemergency 0- calls to their chosen OSPs.

II. SERVICE ORDER PROCESSING, INSTALLATION, MAINTENANCE AND REPAIR SERVICE

A. Generally

Ameritech does provide significant information about the procedures it will follow regarding service order processing, installation, maintenance and repair service. However, the plan references additional information in a handbook that is provided to IPP providers, indicating that the handbook further describes Ameritech's service order process and installation and repair procedures. CEI Plan at 9. Ameritech does not provide a copy of the manual with its CEI plan, and does not commit explicitly to having APSO follow the procedures in the "Private Payphone Providers Handbook." To the extent that Ameritech is relying on its handbook to provide the necessary specific descriptions of its CEI compliance procedures, the Commission must require Ameritech to incorporate and file its handbook, or appropriate pages from the handbook, into its CEI plan.

Ameritech also states that no personnel will be shared by Ameritech and APSO when performing any installation, repair and maintenance functions (including, apparently, service order processing). Ameritech CEI Plan at 9. This is a commendable provision of the plan. To the extent that personnel sharing takes place, especially in the areas of service order processing, installation, maintenance and repair, it is far more difficult for the Commission to detect discrimination by a Bell company in favor of its payphone operation. Therefore, any approval of Ameritech's CEI plan should be explicitly conditioned on the plan's commitment not to share personnel in these areas.

B. Installation, Repair, And Maintenance

Ameritech's CEI Plan fails to make clear whether Ameritech will follow nondiscriminatory practices with respect to location of the demarcation point. Ameritech should be required to amend its plan to state its specific practices with respect to the demarcation point.

Further, although Ameritech does commit to having its network personnel "work only on the network side of the telephone line (only up to and including the NI)" (CEI Plan at 11), the plan does not state how maintenance and repairs will be handled for the installed base, where no NI has yet been installed. Even though no interface may have been installed yet, a demarcation point can and should be identified to determine at what point wire maintenance should be charged separately to APSO as "inside wire" maintenance and at what point wire maintenance may be included as part of the tariffed access service.

III. NUMBERS AND SCREENING CODES

A. Number Assignments

The Payphone Order requires LECs to be nondiscriminatory in assignment of line numbers to payphones. Payphone Order, ¶ 149. Ameritech's plan does not address the assignment of line numbers. Since this issue is specifically addressed in the Payphone Order, Ameritech's plan should indicate what its number assignment policy is and how the policy is applied to APSO and other PSPs.

B. Screening Codes

Ameritech's CEI Plan fails to provide detail on the types of screening service Ameritech will offer to independent and Ameritech payphones. However, Ameritech filings in another docket indicate that Ameritech will continue discriminating in favor of its own payphones in the provision of screening service. Ameritech must be ordered to discontinue such discriminatory treatment.

Specifically, prior to the Payphone Order, the Commission ordered LECs to provide an improved version of originating line screening ("OLS") that would enable IXC to uniquely identify calls originating from IPPs using "COCOT" lines. Policies and Rules Concerning Operator Service Access and Pay Telephone Compensation, Third Report and Order, FCC 96-131, released April 5, 1996.⁷ Traditionally, IPPs using COCOT lines have been assigned the "07" code, which merely indicates the presence of calling restrictions and can be assigned to a variety of non-payphone lines. LEC payphones, by contrast, benefit from a unique "27" code associated with coin lines.

Ameritech has indicated that it has implemented the Commission's requirement in most of its central offices by offering "Flex ANI," a service that permits the transmission of a "70" code that uniquely identifies COCOT lines to those IXCs subscribing to Flex ANI. However, Ameritech stated that IXCs generally have not subscribed to Flex ANI.

⁷ However, since this proceeding was initiated prior to enactment of Section 276, the Third Report and Order and subsequent orders have not addressed LECs' obligations under Section 276 and the Payphone Order. See Policies and Rules Concerning Operator Service Access and Pay Telephone Compensation, Petition Pertaining to Originating Line Screening Services, Memorandum Opinion and Order, CCB/CPD File Nos. 96-18 et al., released December 20, 1996, n. 28.

See Ameritech's Petition for Waiver, filed October 17, 1996. On its remaining lines, and on those Flex ANI-equipped central offices where IXC's do not subscribe, Ameritech continues to provide IPPs using COCOT lines with the "07" code, which does not uniquely identify calls as payphone calls. By contrast, Ameritech continues to provide its own payphones, which use primarily "coin lines," with a "27" code that does uniquely identify calls to IXC's as payphone calls.

The "07" code for COCOT lines is clearly inferior to the unique "27" code provided to LEC payphones using coin lines, and such inferior treatment is inconsistent with the nondiscrimination requirement of Section 276(a). Moreover, the importance of unique screening codes for payphones has been heightened as a result of the Commission's orders in Docket No. 96-128. The Commission's Order on Reconsideration in the payphone docket confirms that PSPs must ensure transmission of codes that enable IXC's to track calls. Accordingly, LECs are required to provide services "that provide a discrete code to identify payphones that are maintained by non-LEC providers." Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996, Order on Reconsideration, CC Docket No. 96-128, FCC 96-439, released November 8, 1996, ¶94 ("Payphone Reconsideration").

Having a unique screening code automatically transmitted to the IXC provides Bell company payphones with a tremendous advantage in the collection of per-call payphone compensation. With a unique screening code, the IXC knows immediately that a call is compensable, and should not have to take any further steps in order to calculate the

compensation due for each particular ANI invoiced by an IPP provider. If no unique screening code is transmitted, by contrast, the IXC must check some reliable data base in order to confirm whether the call is from a payphone and therefore, compensable under the Payphone Order. APCC's experience with the data base currently used to administer flat-rate compensation is that the data base information is frequently unreliable and imposes substantial delays and costs in collecting compensation. Frequently, compensation for a given period is never collected on certain payphones because of the difficulties of securing LEC verification. Transmitting a unique screening code for COCOT lines as well as coin lines evidently would make it unnecessary for PSPs to have their collection of compensation continually delayed or denied due to the highly error-prone LEC verification data base currently in use.

Therefore, by transmitting a unique code on all coin lines while transmitting a non-unique code on COCOT lines, Ameritech will be discriminating heavily in favor of APSO, providing APSO with a great advantage in the collection of per-call compensation from IXCs.

Accordingly, the Commission should order Ameritech to provide PSPs using COCOT lines with a screening code that uniquely identifies their lines as payphone lines. Unless IXCs are required to subscribe to the Flex ANI code in all areas, Ameritech must be required to reconfigure the existing codes, that are universally available with access services to which IXCs do subscribe, so that a unique code is available for COCOT lines as well as coin lines.

IV. OPERATOR SERVICES

Ameritech's CEI plan does not address the intraLATA operator services offered with its public payphones. Ameritech should be required to specify whether it considers operator services to be part of APSO's deregulated payphone service or whether it considers operator services to be a separable service that is not "ancillary" to its public payphone service.

If operator services are part of APSO's deregulated public payphone service, Ameritech should explain whether APSO is providing such services (1) in the payphone or (2) by reselling network-based operator functions. Further, Ameritech should be required to identify the network functions supporting such services and to indicate how those same functions will be offered to PSPs on a nondiscriminatory basis.

If operator services are a separable regulated service that is not "ancillary" to APSO's deregulated payphone service, Ameritech still must demonstrate that it is not subsidizing APSO or discriminating between APSO and other PSPs in the provision of such services. For example, if Ameritech is offering a commission to APSO for presubscribing its payphones to Ameritech's operator service, then at a minimum, such commissions must also be available to independent PSPs on the same terms and conditions.⁸ At a minimum,

⁸ However, since Ameritech is not using an affiliate for its provision of payphone service, it is questionable whether the Commission's accounting rules allow Ameritech to pay itself a commission for presubscribing its payphones to Ameritech's operator services. Such a transfer of regulated revenues out of regulation may be permissible under the Commission's affiliate transactions rules. However, there is no express permission for such treatment under the cost allocation rules governing nonregulated operations that are not provided through a separate affiliate.

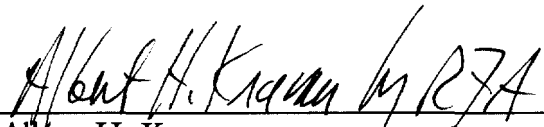
Ameritech must submit a copy of its presubscription contract with APSO and to state that it will offer the same terms and conditions to other IPPs.

CONCLUSION

Ameritech's CEI plan fails to provide sufficient specificity and contains outright violations of CEI requirements and the Payphone Order as detailed above. Therefore, Ameritech's CEI plan must be rejected. Ameritech must be required to refile its plan in accordance with the foregoing comments. The Commission should require the refiled plan to be served on commenting parties and to be subject to the same comment period, so that parties have an adequate opportunity to review and comment on the new material submitted.

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Respectfully submitted,


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